

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 TRSE-00

DRC-01 SSO-00 SS-20 NSC-07 NSCE-00 INRE-00 /084 W

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 1843

C O N F I D E N T I A L LIMA 7597

E.O. 11652: GDS

TAGS: ETRN, PE

SUBJECT: CIVAIR - BILATERAL CONSULTATIONS

REF: STATE 195443

1. HAVE REQUESTED APPOINTMENT WITH PRESIDENT AND WILL MAKE POINTS AS OUTLINED REFTEL. HOWEVER, WE BELIEVE THAT, REGARDLESS OF ANY ASSURANCES WE MIGHT RECEIVE, HEARINGS WILL HAVE IMPACT ON SUBSEQUENT BILATERAL CONSULTATIONS WHICH WILL BE CONTRARY TO U.S. INTERESTS. WE THEREFORE BELIEVE IT WOULD BE DESIRABLE IF CONSULTATIONS COULD BE SCHEDULED BEGINNING SEPTEMBER 23 AND WISH TO APPROACH GOP ACCORDINGLY. BRANIFF ALSO NOW BELIEVES EARLY CONSULTATION DESIRABLE.

2. FOLLOWING ADDITIONAL FACTORS ARGUE FOR THIS STEP:

A. RECENT CANADIAN PACIFIC EXPERIENCE WITH GOP SUGGESTS THAT BRANIFF'S FEARS ARE WELL FOUNDED AND THAT ISSUANCE OF BRANIFF PERMIT INCLUDING 20 PERCENT SURCHARGE AND CUTBACK OF FREQUENCIES COULD BE EXPECTED DESPITE ANY "STANDSTILL ASSURANCES" AND THAT OUR NEGOTIATING POSITION IN SUBSEQUENT BILATERALS WOULD BE CORRESPONDINGLY WEAKENED.

B. PROSPECT NOW IS THAT BRANIFF WILL BE UNABLE TO REACH AGREEMENT WITH ITS PILOTS IN CURRENT SALARY NEGOTIATIONS AND
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THAT STRIKE WILL ENSUE ON SEPTEMBER 21. SHOULD THIS OCCUR,

FINANCIAL PRESSURE ON COMPANY TO ACCEPT ALMOST ANY TERMS IN ORDER TO SAFEGUARD ITS LIMA OPERATIONS WOULD BE POSTPONED. LOCAL BRANIFF SOURCE HAS ALSO TOLD US THAT IN EVENT OF STRIKE, BRANIFF IS PREPARED TO OFFER AEROPERU USE OF ITS BOEING AIR-CRAFT, AND TO ASSIST IN RECRUITING CREWS AND SUPPORT AN INCREASED AEROPERU OPERATION TO MIAMI IN ORDER TO ACCOMMODATE BRANIFF PASSENGERS WHO HAVE ALREADY BOUGHT TICKETS FOR PERIOD BEGINNING SEPTEMBER 21. SUCH ACTION COULD STRENGTHEN OUR NEGOTIATING POSITION.

3. IN MEANTIME, BRANIFF IS TRYING TO ARRANGE FOR PERUVIAN LAWYER NOT CONNECTED WITH BRANIFF TO BRIEF PRESIDENT VELASCO FOR PURPOSE OF GIVING HIM MORE BALANCED VIEW THAN HE HAS RECEIVED FROM ANTI-BRANIFF SOURCES WITHIN GOP. BRANIFF HOPES TO HAVE THIS DONE BY SEPTEMBER 16. AS AMBASSADOR MARCHAND HAD SUGGESTED PREVIOUSLY, SOUTH OF OF BRANIFF HAS URGED EMBASSY TO RECOMMEND STRONGLY THAT SECRETARY KISSINGER MENTION MATTER TO FOREIGN MINISTER DE LA FLOR DURING THEIR MEETING AT UNGA.
DEAN

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